

**THE CHARTER TOWNSHIP ACT (EXCERPT)**  
**Act 359 of 1947**

**42.14a Bonds for public improvements; issuance; approval required; exceptions; limitation on net indebtedness; computation of net indebtedness; bonds subject to MCL 141.2101 to 141.2821.**

Sec. 14a. (1) The township may borrow money and issue bonds on the credit of the township for the purpose of constructing or otherwise acquiring a public improvement that the township is authorized to construct or otherwise acquire by law.

(2) Bonds shall not be issued, except special assessment bonds, bonds for the township portion of local improvements, and bonds that the township board is authorized by specific statute to issue without vote of the electors, unless approved by a majority of the electors voting on the bonds at a general or special election.

(3) The net indebtedness of the township incurred for all public purposes shall not exceed 10% of the assessed value of all real and personal property in the township. In computing the net indebtedness all of the following shall be deducted:

(a) Bonds issued in anticipation of the collection of special assessments, even though they are general obligations of the township.

(b) Revenue bonds, even though they are general obligations of the township.

(c) Bonds issued to comply with an order of the former water resources commission, the department of environmental quality, or a court of competent jurisdiction, even though they are a general obligation of the township.

(d) Bonds issued, or contract or assessment obligations incurred, for water supply, sewerage, drainage, solid waste disposal, and steam generation and distribution necessary to protect the public health by abating pollution, even though they are a general obligation of the township.

(e) Bonds issued or contract or assessment obligations incurred for the construction, improvement, or replacement of a combined sewer overflow abatement facility. As used in this subdivision:

(i) "Combined sewer overflow" means a discharge from a combined sewer system that occurs when the flow capacity of the combined sewer system is exceeded.

(ii) "Combined sewer overflow abatement facility" means any works, instrumentalities, or equipment necessary or appropriate to abate combined sewer overflows.

(iii) "Combined sewer system" means a sewer designed and used to convey both storm water runoff and sanitary sewage, and which contains lawfully installed regulators and control devices that allow for delivery of sanitary flow to treatment during dry weather periods and divert storm water and sanitary sewage to surface waters during storm flow periods.

(iv) "Construction" means any action taken in the designing or building of a combined sewer overflow abatement facility. Construction includes, but is not limited to, all of the following:

(A) Engineering services.

(B) Legal services.

(C) Financial services.

(D) Design of plans and specifications.

(E) Acquisition of land or structural components, or both.

(F) Building, erection, alteration, remodeling, or extension of a combined sewer overflow abatement facility.

(G) Township supervision of the project activities described in sub-subparagraphs (A) to (F).

(v) "Improvement" means any action taken to expand, rehabilitate, or restore a combined sewer overflow abatement facility.

(vi) "Replacement" means any action taken to obtain and install equipment, accessories, or appurtenances during the useful life of a combined sewer overflow abatement facility necessary to maintain the capacity and performance for which the equipment, accessories, or appurtenances are designed and constructed.

(4) The resources of the sinking fund or debt retirement fund pledged for retirement of outstanding bonds shall also be deducted from the amount of the indebtedness.

(5) Bonds are issued subject to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821.

**History:** Add. 1953, Act 188, Eff. Oct. 2, 1953;—Am. 1973, Act 82, Imd. Eff. July 31, 1973;—Am. 1979, Act 141, Imd. Eff. Nov. 7, 1979;—Am. 1995, Act 212, Imd. Eff. Nov. 29, 1995;—Am. 2002, Act 230, Imd. Eff. Apr. 29, 2002.